

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS  
OF THE  
STRATEGIC BANKING CORPORATION OF IRELAND  
(THE “COMPANY” OR “SBCI”)  
DULY CONVENED, CONSTITUTED AND HELD BY VIDEO AND CONFERENCE CALL AT  
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1  
AT 4.00 PM ON 17 July 2020**

**Present:**

Barbara Cotter, *Chairperson*

Nick Ashmore

Eilis Quinlan

AJ Noonan

Richard Pelly

Conor O’Kelly

Eoin Dorgan

Tom McAleese

**In Attendance:**

Macken McNicholas      *Secretary*

Rob Quill                      *Risk and Finance Manager*

Suzanne Sweeney          *Head of Lending*

Emma Hickey                *Assistant Lending Manager (Items 1-6 only)*

Laura Kennedy              *Lending Analyst (Items 1-6 only)*

David Maxwell              *Lending Manager (Items 1-6 only)*

Paul Christie                *Senior Lending Manager (Items 1-6 only)*

**1. NOTICE AND QUORUM**

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been circulated to all members entitled to attend the meeting and that a quorum was present. The meeting then proceeded to business.

**2. DECLARATIONS OF INTEREST**

For the purposes of Section 231 of the Companies Act 2014, Section 17 of the Ethics in Public Office Act 1995 and the Constitution of the Company, there were no material interests declared by members in the business to be transacted at the meeting.

**3. MINUTES AND MATTERS ARISING**

The Chairperson noted that draft minutes of the meetings of 6 May 2020, 20 May 2020 and 25 June 2020 had been circulated to the Board in advance of the meeting. **IT WAS RESOLVED** that the minutes of the meetings be approved and that they be signed by the Chairperson when circumstances permitted.

**4. CREDIT COMMITTEE REPORT**

The Chairperson of the Credit Committee, Richard Pelly, presented the Credit Committee Report summarising the meeting of the Credit Committee held on 15 July 2020. He noted that the main item discussed was the allocations of the Future Growth Loan Scheme (“the Scheme”) to be considered by the board at Item 5 of the Agenda. He noted that the Committee had reviewed and discussed the proposals as presented to it and were recommending the proposals to the board for approval. He noted that the Committee welcomed the addition of two new applicants to the Scheme.

**THIS ITEM HAS BEEN PARTIALLY REDACTED**

**5. FUTURE GROWTH LOAN SCHEME PROPOSALS**

**5.1 Guarantee Proposals for (i) Allied Irish Banks p.l.c. (“AIB”); (ii) The Governor and Company of Bank of Ireland (“BOI”); (iii) Ulster Bank Ireland DAC (“UB”); and (iv) KBC Bank Ireland PLC (“KBC”)**

The Head of Lending and Lending Analyst presented the Guarantee Proposal for the four existing on-lenders who are currently offering FGLS products to the market. The Head of Lending provided the board with an update on the current lending market in a Covid-19 environment and following feedback received from the banks. The board discussed the proposals and questioned the demand for the loans and also the ability of the four banks to deploy the proposed increase in allocated amounts. The Head of Lending provided an update and noted that conditionality will be built into the legal agreements such that if one or more on-lenders are not deploying their allocation of the Scheme within certain timeframes, the SBCI could step in and reallocate to another on-lender where the demand might be greater.

The board noted the competitive nature of the Open Call process inviting applicants to compete on price. It welcomed the competitive pricing to be offered by the applicants.

The Board said it supported the guarantee proposal and accordingly:

**IT WAS RESOLVED**

- I. **AIB**
  - a. that the SBCI enter into an amendment and restatement agreement with Allied Irish Banks, p.l.c. (“AIB”), (the “AIB Amendment Agreement”), in respect of the guarantee previously granted by SBCI to AIB relating to the Future Growth Loan Scheme, (the “Original AIB Guarantee”), so as to increase the volume of the portfolio covered by the Original AIB Guarantee by a further €130 million, and to amend the terms of the Original AIB Guarantee, as more particularly set out in the Future Growth Loan Scheme Guarantee Proposal, (the “Amended and Restated AIB Guarantee”);
  - b. to delegate to the Chief Executive Officer the power to negotiate the terms of and to execute the AIB Amendment Agreement, the Amended and Restated AIB Guarantee and any other documents connected to each of the AIB Amendment Agreement and the Amended and Restated AIB Guarantee, together with any amendments thereto, conforming in substance to the terms set out in the Future Growth Loan Scheme Guarantee Proposal, with such minor variations as he in his absolute discretion deems necessary or appropriate; and

c. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

**II. Bank of Ireland**

a. that the SBCI enter into an amendment and restatement agreement with The Governor and Company of the Bank of Ireland ("BOI"), (the "BOI Amendment Agreement"), in respect of the guarantee previously granted by SBCI to BOI relating to the Future Growth Loan Scheme, (the "Original BOI Guarantee"), so as to increase the volume of the portfolio covered by the Original BOI Guarantee by a further €180 million, and to amend the terms of the Original BOI Guarantee, as more particularly set out in the Future Growth Loan Scheme Guarantee Proposal, (the "Amended and Restated BOI Guarantee");

b. to delegate to the Chief Executive Officer the power to negotiate the terms of and to execute the BOI Amendment Agreement, the Amended and Restated BOI Guarantee and any other documents connected to each of the BOI Amendment Agreement and the Amended and Restated BOI Guarantee, together with any amendments thereto, conforming in substance to the terms set out in the Future Growth Loan Scheme Guarantee Proposal, with such minor variations as he in his absolute discretion deems necessary or appropriate; and

c. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

**III. Ulster Bank**

a. that the SBCI enter into an amendment and restatement agreement with Ulster Bank Ireland DAC ("UB"), (the "UB Amendment Agreement"), in respect of the guarantee previously granted by SBCI to UB relating to the Future Growth Loan Scheme, (the "Original UB Guarantee"), so as to increase the volume of the portfolio covered by the Original UB Guarantee by a further €80 million, and to amend the terms of the Original UB Guarantee, as more particularly set out in the Future Growth Loan Scheme Guarantee Proposal, (the "Amended and Restated UB Guarantee");

b. to delegate to the Chief Executive Officer the power to negotiate the terms of and to execute the UB Amendment Agreement, the Amended and Restated UB Guarantee and any other documents connected to each of the UB Amendment Agreement and the Amended and Restated UB Guarantee, together with any amendments thereto, conforming in substance to the terms set out in the Future Growth Loan Scheme Guarantee Proposal, with such minor variations as he in his absolute discretion deems necessary or appropriate; and

c. to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

**IV. KBC**

a. that the SBCI enter into an amendment and restatement agreement with KBC Bank ("KBC"), (the "KBC Amendment Agreement"), in respect of the guarantee

previously granted by SBCI to KBC relating to the Future Growth Loan Scheme, (the “Original KBC Guarantee”), so as to increase the volume of the portfolio covered by the Original KBC Guarantee by a further €30 million, and to amend the terms of the Original KBC Guarantee, as more particularly set out in the Future Growth Loan Scheme Guarantee Proposal, (the “Amended and Restated KBC Guarantee”);

b. to delegate to the Chief Executive Officer the power to negotiate the terms of and to execute the KBC Amendment Agreement, the Amended and Restated KBC Guarantee and any other documents connected to each of the KBC Amendment Agreement and the Amended and Restated KBC Guarantee, together with any amendments thereto, conforming in substance to the terms set out in the Future Growth Loan Scheme Guarantee Proposal, with such minor variations as he in his absolute discretion deems necessary or appropriate; and

c. to authorise the use of the SBCI’s seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

## **5.2 GUARANTEE PROPOSALS FOR PERMANENT TSB**

The Head of Lending and the Lending Manager presented the Guarantee Proposal for Permanent TSB. They noted that the SBCI board had previously approved an allocation if the initial FGLS allocation to Permanent TSB. They noted an added focus for Permanent TSB in increasing its share of the SME market following the appointment of a new CEO, a new Head of Business and a new Head of SME Business since SBCI had last been in discussions with them.

The board welcomed the application from Permanent TSB as a potential new SBCI on-lending partner. The board discussed the proposal and Permanent TSB’s capability and capacity to deliver the deployment of the allocation sought in the proposal. The Senior Lending Manager noted that Permanent TSB had put forward a strong proposal and demonstrated the necessary capacity and capability to deliver the Scheme.

The Board said it supported the guarantee proposal and accordingly:

### **IT WAS RESOLVED:**

- a. That the SBCI enter into a guarantee agreement with Permanent TSB, covering a portfolio of €50m under the Revised Scheme, in the terms as more particularly set out in the Permanent TSB plc Guarantee Proposal presented to the Board (the “**PTSB plc Guarantee**”);
- b. to delegate to the Chief Executive Officer the power to negotiate the terms of and to execute the PTSB Guarantee and any other documents connected to the PTSB Guarantee, together with any amendments thereto, conforming in substance to the terms set out in the Permanent TSB plc Guarantee Proposal, with such minor variations as he in his absolute discretion deems necessary or appropriate; and
- c. to authorise the use of the SBCI’s seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

### **5.1. THIS ITEM HAS BEEN REDACTED**

## **5.2. UPDATE ON FGLS ALLOCATIONS**

The Head of Lending provided an update on the FGLS allocations noting that the EIF would have to undertake a further review of the portfolio. She noted that applicants would receive an initial allocation which may be increased in the future following the EIF review.

## **6. THIS ITEM HAS BEEN REDACTED**

### **6.1. UPDATED PAPER ON DISCUSSION AT CREDIT COMMITTEE**

As requested by the Credit Committee, the Head of Lending and Assistant Lending Manager presented an updated note to the board detailing the discussion at Credit Committee with regard to Capitalflow, its loan portfolios, levels of forbearance, financial performance update on year-to-date and the enhanced levels of management information being provided.

## **7. BOARD APPOINTMENT**

The Company Secretary provided an update to the board on the appointment of a new director. He noted that the Public Appointments Service process had concluded and that the Minister for Finance has nominated Marguerite McMahon to be appointed a director of the SBCI.

The Board discussed the nomination and accordingly, **IT WAS RESOLVED** that, as nominated by the Minister for Finance, Marguerite McMahon be appointed as a director of the SBCI Board for a five-year term with immediate effect.

## **8. AOB**

There being no further business the Chairperson brought the meeting to an end.

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Barbara Cotter, Chairperson

**10 September 2020**